

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 245

February 21, 2011

SUMMARY OF BILL: Prohibits certain radioactive materials from being disposed in Tennessee landfills and requires disposal in licensed radioactive waste storage or radioactive disposal facilities.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$563,600/Recurring/Environmental Protection Fund
Increase State Expenditures – \$452,200/One-Time/Environmental Protection Fund
\$59,600/One-Time/General Fund
\$377,200/Recurring/ Environmental Protection Fund
\$49,700/Recurring/General Fund

Increase Federal Expenditures – \$6,200/One-Time
\$5,200/Recurring

Increase Local Expenditures – \$7,040,000/One-Time*

Assumptions:

- According to the Department of Environment and Conservation (TDEC), there will be a decrease in recurring state revenue from the Environmental Protection Fund (EPF) resulting from a loss of license and fee revenue.
- TDEC estimates that up to three of the four processors licensed by the Division of Radiological Health will go out of business. The total recurring decrease in radioactive material license fee revenue from these three entities will be approximately \$150,000.
- Based on information provided by TDEC, the recurring decrease in revenue generated from the poundage fee levied on radioactive waste disposed in facilities that process, store, or refurbish such waste will be \$319,400.
- According to TDEC, 157 shipping licenses for shippers of radioactive waste will no longer be issued, resulting in a recurring decrease in state revenue of \$94,200 (157 x \$600).
- The total recurring decrease in state revenue to the EPF will be \$563,600 (\$150,000 + \$319,400 + \$94,200).
- TDEC will need mobile radiation monitoring equipment at each of four field offices at a cost of \$100,000 and mobile handheld devices for monitoring at a cost of \$5,000 per

location for a total one-time increase in state expenditures of \$420,000 ($\$105,000 \times 4$ locations).

- Training in radiation detection will be required at all field offices at a one-time total cost of \$80,000.
- TDEC will require four Health Physicists III positions and one Supervisor II position to assist in the enforcement of this bill. One-time state expenditures for these additional positions will be \$18,000 (computers and software).
- The total increase in one-time state expenditures will be \$518,000 ($\$420,000 + \$80,000 + \$18,000$).
- According to TDEC, approximately 87.3 percent of expenditures are funded by the EPF, 11.5 percent by the state, and 1.2 percent with federal funds through the Food and Drug Administration.
- One-time expenditures from the EPF will be \$452,200 ($\$518,000 \times 87.3\%$); one-time state expenditures from the General Fund will be \$59,600 ($\$518,000 \times 11.5\%$); and one-time federal expenditures from the FDA will be \$6,200 ($\$518,000 \times 1.2\%$).
- Recurring expenditures for the five new positions will be \$432,100 (\$206,500 salary + \$74,600 benefits + \$151,000 operational).
- Recurring expenditures from the EPF will be \$377,200 ($\$432,100 \times 87.3\%$); recurring state expenditures from the General Fund will be \$49,700 ($\$432,100 \times 11.5\%$); and recurring federal expenditures from the FDA will be \$5,200 ($\$432,100 \times 1.2\%$).
- Landfills owned by local governments would need to purchase basic radiation monitoring equipment. According to TDEC, 64 landfills are owned by local governments. Total equipment costs will be \$6,400,000 ($\$100,000 \times 64$ locations).
- Equipment training is estimated to be \$10,000 for each location. Therefore, the one-time increase in local government expenditures will be \$640,000 ($\$10,000 \times 64$ locations).
- One-time local government expenditures will be \$7,040,000 ($\$6,400,000 + \$640,000$).

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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